

103

H.R. 4704, THE HOPEWELL TOWNSHIP INVESTMENT ACT OF 1994

(103-77)

Y 4. P 96/11:103-77

H.R. 4704, The Hopewell Township In...

HEARING
BEFORE THE
SUBCOMMITTEE ON
PUBLIC BUILDINGS AND GROUNDS
OF THE
COMMITTEE ON
PUBLIC WORKS AND TRANSPORTATION
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRD CONGRESS
SECOND SESSION

August 10, 1994

Printed for the use of the
Committee on Public Works and Transportation

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CONTENTS

H.R. 4704, text	Page IV
TESTIMONY	
Creed, Gordon, Acting Deputy Commissioner, Federal Property Resources Service, General Services Administration	4
Klink, Hon. Ron, a Representative in Congress from Pennsylvania	2
Palmer, James, President, Beaver County Corporation for Economic Development, Beaver, PA, accompanied by Jim Eichenlaub, Manager and Secretary, Hopewell Township Board of Commissioners	10
PREPARED STATEMENTS SUBMITTED BY WITNESSES	
Creed, Gordon	22
Eichenlaub, James	23
Palmer, James	26
SUBMISSIONS FOR THE RECORD	
Creed, Gordon, Acting Deputy Commissioner, Federal Property Resources Service, General Services Administration, summaries of past sales (including those to local governments), Federal utilization transfers, and public benefit discount conveyances	5
Jim Eichenlaub, Manager and Secretary, Hopewell Township Board of Commissioners, photographs	16
Palmer, James, President, Beaver County Corporation for Economic Development, Beaver, PA, letter from the Beaver County Board of Commissioners, July 28, 1994	11
ADDITION TO THE RECORD	
Article, "Feds may move to Hopewell site", Beaver County Newspaper, September 9, 1987	30

(III)

103D CONGRESS
2D SESSION

H. R. 4704

To provide for the conveyance of certain lands and improvements in Hopewell Township, Pennsylvania, to a nonprofit organization known as the "Beaver County Corporation for Economic Development" to provide a site for economic development.

IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 1994

Mr. KLINK introduced the following bill; which was referred to the Committee on Public Works and Transportation

A BILL

To provide for the conveyance of certain lands and improvements in Hopewell Township, Pennsylvania, to a nonprofit organization known as the "Beaver County Corporation for Economic Development" to provide a site for economic development.

1 *Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Hopewell Township
5 Investment Act of 1994".

1 **SEC. 2. CONVEYANCE OF LAND.**

2 (a) ADMINISTRATOR OF GENERAL SERVICES.—Sub-
3 ject to sections 2 and 3, the Administrator of General
4 Services (hereinafter in this Act referred to as the “Ad-
5 ministrator”) shall convey, without compensation, to a
6 nonprofit organization known as the “Beaver County Cor-
7 poration for Economic Development” all right, title, and
8 interest of the United States in and to those pieces or par-
9 cels of land in Hopewell Township, Pennsylvania, de-
10 scribed in subsection (b), together with all improvements
11 thereon and appurtenances thereto. The purpose of the
12 conveyance is to provide a site for economic development
13 in Hopewell Township.

14 (b) PROPERTY DESCRIPTION.—The land referred to
15 in subsection (a) is approximately 16 acres on what was
16 formerly Aliquippa Airport on Airport Road in Hopewell
17 Township, Pennsylvania, which were most recently used
18 by the Mine Safety and Health Administration for mine
19 emergency operations and includes a building of approxi-
20 mately 45,000 square feet.

21 (c) DATE OF CONVEYANCE.—The date of the convey-
22 ance of property required under subsection (a) shall be
23 not later than the 90th day following the date of the enact-
24 ment of this Act.

1 SEC. 3. LIMITATION ON CONVEYANCE.

2 No part of any land conveyed under section 1 may
3 be used, during the 30-year period beginning on the date
4 of conveyance, for any purpose other than economic devel-
5 opment.

6 SEC. 4. REVERSIONARY INTEREST.

7 (a) IN GENERAL.—The property conveyed under sec-
8 tion 1 shall revert to the United States on any date in
9 the 30-year period beginning on the date of such convey-
10 ance, on which the property is used for a purpose other
11 than that economic development.

12 (b) ENFORCING REVERSION.—The Administrator
13 shall perform all acts necessary to enforce any reversion
14 of property to the United States under this section.

15 (c) INVENTORY OF PUBLIC BUILDINGS SERVICE.—
16 Property that reverts to the United States under this sec-
17 tion shall be under the control of the General Services Ad-
18 ministration.



H.R. 4704, THE "HOPEWELL TOWNSHIP INVESTMENT ACT OF 1994"

WEDNESDAY, AUGUST 10, 1994

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS,
COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC.

The subcommittee met, pursuant to call, at 8:33 a.m., in Room 2253, Rayburn House Office Building, Hon. James A. Traficant (chairman of the subcommittee) presiding.

Mr. TRAFICANT. The subcommittee will come to order.

This morning we will receive testimony on H.R. 4704, a bill to authorize a no-cost transfer of property in Hopewell Township, Pennsylvania, from the General Services Administration to the Beaver County Corporation for Economic Development. Congressman Ron Klink who sponsored the legislation—he has a very aggressive and progressive program in working with the local community that sponsored this legislation—will testify, as well as Gordon Creed, Acting Commissioner, Federal Property Resources Service at the General Services Administration. Mr. James Palmer, President of the Beaver County Corporation for Economic Development, will be joined by Mr. James Eichenlaub of Hopewell Township.

We welcome our constituents to Washington and welcome their participation. I hope that I didn't damage anybody's name in the process. Being from Youngstown, Ohio, right on the border in northeast Ohio, close to western Pennsylvania, I know Mr. Klink has done a tremendous job over there. I think the issue that he has is important and it is good to see that he has engaged the participation of local officials. I think that speaks well for that whole area and the revitalization that is underway.

Immediately following the hearing, the subcommittee will mark up this legislation, H.R. 4704.

Mr. Duncan, the gentleman from Tennessee.

Mr. DUNCAN. Thank you, Mr. Chairman.

I have no statement.

I would like to welcome our colleague, Mr. Klink, and the other witnesses to the hearing this morning. And I look forward to their testimony.

Mr. TRAFICANT. We would like to call up the distinguished gentleman from Pennsylvania who has an important amendment on the Accountability Act for the Congress, Ron Klink.

I am glad to see you here today regarding this legislation. You are taking this initiative and working closely with the local officials. I think that speaks well for a lot of the things that you are

doing. Many of the remarks I am hearing from business and community leaders are complimentary about some of the events happening in your district. It is very refreshing. So we welcome you here today.

TESTIMONY OF HON. RON KLINK, A REPRESENTATIVE IN CONGRESS FROM PENNSYLVANIA

Mr. KLINK. Thank you, Mr. Chairman.

I appreciate the fact that you have expedited this hearing.

And, Mr. Duncan, thank you for your attendance here today and your interest in this matter.

I agree, Mr. Chairman, we have got to get the local people involved. We don't operate in a vacuum. It is very important that we coordinate our efforts here in Washington, D.C. with what is going on back in western Pennsylvania and eastern Ohio, and wherever we may be from.

I want to thank you and the Members of this subcommittee for scheduling this hearing on H.R. 4704, the Hopewell Township Investment Act of 1994. The purpose of this bill is to promote economic development and create jobs in Hopewell Township, at a site near Aliquippa, Pennsylvania. This bill would accomplish the goal by transferring the site of the Mine Safety and Health Administration facility to the Beaver County Corporation for Economic Development, or CED.

This nonprofit corporation has the responsibility for spurring economic development and bringing new businesses in a portion of my congressional district in western Pennsylvania. The Corporation has pledged its resources to preparing the site for new industry once its ownership changes hands.

The Corporation has envisioned two types of development on this property: an incubator facility for a variety of new businesses, or a single, large employer, such as an engineering or research and development firm.

Under the legislation that I offer, this site would revert to the Federal Government unless it was converted to an industrial site by the Beaver County Corporation for Economic Development.

Back in 1987, the Mine Safety and Health Administration announced its plans to consolidate its activities by locating additional operations at this site. At the time, they said they would create 200 new jobs. This site was serving as a staging area for the Federal Government's response to mine disasters throughout the Eastern United States. In anticipation of attracting a larger Federal presence there, Beaver County and the Commonwealth of Pennsylvania spent more than \$200,000 in preparing the site.

Bowing to pressure from a Member of the other body, the Mine Safety and Health Administration then moved that consolidation to Beckley, West Virginia, and in the process, transferred its Hopewell operation there. Rather than gaining 200 new Federal jobs, Beaver County lost the 20 Federal employees in that consolidation.

So you can see this was a situation where the glass started out being half full. The county provided resources for topping off the glass, and unfortunately they ended up with an empty glass with a hole in it.

This site includes a 44,000-square foot, one-story building, vacant, situated on a plot of 16 acres, accessed by a gravel road. Since the Mine Safety and Health Administration moved to West Virginia, that site has been under the GSA.

The site development would require widening and paving the road, substantial building renovation and the extension of the sewer and water services. It will use local and State funds only, and no Federal money for that building renovation, landscaping and the required infrastructure improvements to ready that site for an industrial client or industrial clients.

This bill clears the decks so that Beaver County can use this site to recruit industry, create jobs and put this property back on the tax rolls again. This legislation will enable the affected localities rather than the Federal Government to determine their destiny.

H.R. 4704 has the support of the Beaver County Economic Development Corporation, Beaver County, and the Hopewell Township community, and I understand the subcommittee has heard from the Corporation and from these localities. And I want to introduce with me today Jim Palmer, President of the Corporation, as well as Jim Eichenlaub, the Manager of Hopewell Township. They have traveled here today and want to testify in support of H.R. 4704.

Mr. Chairman, I thank you for your consideration, and I thank you also for expediting markup of this bill, and thank you for scheduling this hearing of your subcommittee. And I appreciate the fact that you have been a great help to me since I have been here. And this is one more example your interest in our region, we don't end things with a State line, we are interested in our region, and you have exhibited that here today, Chairman.

Mr. TRAFICANT. We appreciate your testimony, Mr. Klink.

Are you beginning to see a change in the economic revitalization of the district? Are these actions indicative of the progressive movement coming out of your area?

Mr. KLINK. We are. We have seen a lot of companies expanding. When you get down into Aliquippa, which this is close to, at one time, J&L had a 7½-mile site along the Ohio River, 13,000 employees. About 10 years ago that facility shut down and now J&L Structural has located that site.

Governor Casey was in there yesterday. The State is putting more money into that site. They are going to put in a new melt shop adding 100 new jobs. Koppel Steel is going to be expanding. World Class Processing across the bridge in Ambridge is going to be expanding. We are starting to see some small expansions of some of these industries.

We are stabilizing some of the companies that are there. We are not going to create jobs in the thousands as we lost them over the 1980s, but the patient has stopped bleeding and I think we are starting the healing process.

Mr. TRAFICANT. Talking about Aliquippa and Ambridge, it takes me back to the University of Pittsburgh with Mike Ditka—

Mr. KLINK. Tony Dorsett.

Mr. TRAFICANT. And Tony Dorsett and Ron Klink. Being familiar with that area, I think what you are doing is progressive. I think the methodology that you are employing will be successful. There

must be a marriage between the Feds, the State and the local communities. I think you are effecting that.

I have a number of points that will be made later at markup. I think it is encouraging to see what you are doing, and we are glad to work with you. We appreciate your efforts.

Mr. Duncan.

Mr. DUNCAN. I agree with the Chairman.

No questions.

Mr. KLINK. Thank you, Mr. Chairman, Mr. Duncan, I appreciate it.

Mr. TRAFICANT. We thank you, Ron.

We have no further questions.

We would like to invite Mr. Gordon Creed from the General Services Administration, if he would come forward and lend us a hand with the matter of western Pennsylvania.

I believe this is the first time you will be before our committee. So Mr. Creed, relax, you have nothing to fear but fear itself.

As you can see, we support this important effort coming out of western Pennsylvania. But I hope that won't influence any of your testimony. Go right ahead.

TESTIMONY OF GORDON CREED, ACTING DEPUTY COMMISSIONER, FEDERAL PROPERTY RESOURCES SERVICE, GENERAL SERVICES ADMINISTRATION

Mr. CREED. Good morning. Mr. Chairman, and Members of the committee. I am pleased to appear before this committee today to discuss the views of the General Services Administration concerning H.R. 4704.

Cited as the Hopewell Township Investment Act of 1994, this bill would require the Administrator of the General Services Administration to convey to a named nonprofit economic development organization, approximately 16 acres, with a building of approximately 45,000 square feet, located in Hopewell Township, Pennsylvania.

The conveyance would have to be made within 90 days of enactment, and the Administrator would be required to enforce a reversion of the property if it were to be used for any purpose other than economic development during the 30-year period following the date of conveyance.

The subject property is presently in GSA's surplus property inventory and therefore disposable under the provisions of the Federal Property and Administrative Services Act of 1949. In that connection, preliminary discussions have already taken place with functionaries of Hopewell Township concerning a possible negotiated sale of the property based on its fair market value.

H.R. 4704 would remove the transaction from the scope of the Property Act. GSA has long defended the Property Act as being the best mechanism for the disposition of the government's unneeded real property interests. However, if Congress decides to enact this bill, GSA will follow the law.

This concludes my prepared statement, and I would be pleased to respond to any questions the subcommittee may have.

Mr. TRAFICANT. How do we know that this building in Hopewell Township is not a stealth building. CIA? Do you guys really know what is going on over there?

Let me say this; how will the GSA monitor this provision in the bill that says the Administrator would be required to enforce a reversion of the property if it were not to be used for any other purpose other than economic development? What type of mechanism, not just for Hopewell Township, does GSA have in effect that deals with these types of provisions? How do you monitor that?

Mr. CREED. Within the General Service Administration, we have a monitoring and compliance activity. Where property has been conveyed for use for public use purposes, say fish and wildlife purposes or for correctional use purposes, this group regularly visits the property and inspects the property to ensure that it is being used for its intended purpose; its public use. And if not, there is a report that is prepared. Therefore this type of monitoring would fit into the compliance role that GSA already performs.

Mr. TRAFICANT. Is there official report mechanisms that ensures that that report will come to the Congress? Or is this an internal GSA machination?

Mr. CREED. Under the conservation program, there is a reporting requirement that the Administrator of GSA furnish the report, but under the other public use program there is no requirement to provide a report to the Congress.

Mr. TRAFICANT. How many parcels of surplus property are currently, or to the best of your knowledge, in the GSA inventory?

Mr. CREED. We have three different mechanisms for classifying property in inventory. We have it by acres, by value, and then by individual parcels. I would have to check on the exact number for today and give that information back to you.

Mr. TRAFICANT. We will leave the record open, if you would get that information to us.

[The information received follows:]

Answer: 180 parcels.

Mr. TRAFICANT. How many of these parcels are sold each year?

Mr. CREED. We do not measure the number of parcels sold each year, but rather measure the dollar amount of real property transactions. Generally, GSA disposes of \$125 million worth of property each year. This dollar number includes properties that are sold, that are exchanged, and that are deeded for public use purposes, which is not generally considered a sale. While I do not have these figures with me today, I can furnish the committee detailed information in that regard.

[The information received follows:]

Answer: Although GSA has not completed any recent exchanges, we are providing summaries of past sales (including those to local governments), federal utilization transfers, and public benefit discount conveyances which we believe will give you an overview of our activities. (Attachment):

DISPOSAL SUMMARY

[\$ in millions]

Fiscal year	Transfers		Discounts		Sales		Totals	
	No.	Value	No.	Value	No.	Value	No.	Value
1989	22	\$22.8	57	\$54.4	143	\$50.1	222	\$127.3
1990	38	16.0	52	28.5	172	26.6	262	71.1
1991	28	57.6	39	15.0	359	50.7	426	123.3

DISPOSAL SUMMARY—Continued

[\$ in millions]

Fiscal year	Transfers		Discounts		Sales		Totals	
	No.	Value	No.	Value	No.	Value	No.	Value
1992	20	41.4	32	28.9	267	23.3	319	93.6
1993	24	40.5	31	41.9	231	41.5	286	123.9
Total	132	178.3	211	168.7	1172	192.2	1515	539.2

Note: Special legislation disposals ranging from \$100 million to \$300 million annually and the DOD Military Base Closure program have resulted in a decline in GSA disposals, leveling off at approximately \$100 million annually.

PARK AND RECREATIONAL CONVEYANCES

[\$ in millions]

Fiscal year	No.	Value
1989	15	\$4.4
1990	9	2.6
1991	14	6.1
1992	4	2.4
1993	10	1.7
Total	52	17.2

HOMELESS CONVEYANCES

(Assignments, \$ in millions)

Fiscal year	No.	Value
1989	22	\$33.2
1990	9	19.0
1991	6	1.3
1992	9	6.8
1993	5	27.6
Total	51	87.9

Note: Ten properties worth \$4.4 assigned to HHS have been returned.

HEALTH CONVEYANCES

[\$ in millions]

Fiscal year	No.	Value
1989	1	\$0.001
1990	5	.4
1991	3	.1
1992	6	.7
1993	1	.01
Total	16	1.2

EDUCATION CONVEYANCES

[\$ in millions]

Fiscal year	No.	Value 1
1989	11	\$1.2
1990	9	3.0
1991	4	3.2
1992	3	6.7
1993	5	.9
Total	32	15.0

OTHER DISCOUNT CONVEYANCES

[\$ in millions]

Fiscal year	No.	Value I
1989	6	\$15.6
1990	19	3.5
1991	11	4.2
1992	12	12.7
1993	10	11.7
Total	58	47.7

Mr. TRAFICANT. Yes, an exchange is not necessarily a sale. I would like to know what type of dollar activity is generated from these parcels. In addition, I would like to know what, if any, or how much has ever been sold to nonprofit entities, if you have that.

Mr. CREED. We can obtain that information.

[The information received follows:]

Answer: With regard to the first part of your question, we would again refer you to the previous summaries. As indicated, over a five year period (Fiscal Years 1989-1993), GSA has completed disposals valued at over \$539 million including \$192 million in sales.

Although we have not sold properties to nonprofit entities, these groups have been served through other disposal methods. For example, since the inception of the Stewart B. McKinney Homeless Assistance Act, GSA has made available 55 properties valued at \$89,081,000 for use by nonprofit homeless organizations. Over the years GSA has also assigned numerous properties to the Departments of Education and Health and Human Services for uses by nonprofit entities.

Mr. TRAFICANT. When a sale is effected, where do those proceeds go?

Mr. CREED. The proceeds generally go in the miscellaneous receipts of the Treasury. However, under the land—

Mr. TRAFICANT. A slush fund here?

Mr. CREED. No, it is actually the general receipts, the miscellaneous receipts fund of the Treasury, which is the working fund of the Treasury. However, pursuant to the provisions of the Land and Water Conservation Act there is a temporary requirement that any proceeds received from the disposition of the surplus real property be covered in that fund, into the Land and Water Conservation Fund, which is administrated by the Department of Interior.

Mr. TRAFICANT. Well, that is something that the committee will look at. We believe that that money should be going back to the Public Building Fund. Maybe the subcommittee should take a look at that.

Mr. Duncan.

Mr. DUNCAN. Thank you, Mr. Chairman.

Mr. Creed, you say in your testimony that preliminary negotiations or discussions have been entered into concerning the sale of this property. How much is this building and property worth? Do you know? Do you have any rough estimate?

Mr. CREED. Yes, I do.

Mr. DUNCAN. How much.

Mr. CREED. I would prefer to provide that information in camera to the committee. It is generally not our policy to disclose a property's value until a disposition has been concluded. And I say that because its premature disclosure of our appraisal here to the other side. If the disposition is not made in this instance, it may be made

some place else, and it would place the government at a disadvantage in the negotiations.

Mr. DUNCAN. How many transfers similar to this have we made, say, in the last three years?

Mr. CREED. Similar for economic development purposes?

Mr. DUNCAN. Right.

Mr. CREED. I think there have been a few, and I could check for the exact number. I don't have that information readily available at this time.

[The information received follows:]

Answer: The fair market value of the property is the proposed sale price to the city, \$667,000, estimated on the basis of a market analysis.

Mr. DUNCAN. In one of the briefing papers that I was given, it says that this property had been screened for other Federal uses. And I assume that means that you have notified the other Federal agencies or departments and that they have no uses or no plans that they feel would be appropriate for this building and this property; is that correct?

Mr. CREED. This is correct, Congressman. We have screened the property with all other Federal executive agencies to see if there is any further Federal use, in essence we have tried to recycle the property within the Federal family and we found no executive agency expressing an interest or need for this property, and as a consequence, we have determined the property surplus to the needs of the United States Government.

Mr. DUNCAN. So, if we don't do something like this, it is likely just to sit vacant for a while? Or is this—or do you think this is land or property that would be pretty easy to sell on the open market?

Mr. CREED. Generally, the disposal scheme would lend a priority of approaching State, local, and county officials to see if there is a public body interest in purchasing the property. And then if there is no expression of interest, GSA would generally put the property up for sale, either by sealed bid or by auction.

As to whether there would be a market for the property, generally that is a reflection of the fair market value. When the appraisers determine the value, they look at the economic conditions of the community, at the proximity of the property to a more developed area, of higher value; the farther out, the property its value goes down. So I think the value would reflect the marketability of the property.

Mr. DUNCAN. Well, are you saying then, that because you say that you go first to the State or local governments—so are you saying that you feel this is an appropriate or a good use, proposed use for this property?

Mr. CREED. I think in my statement—

Mr. DUNCAN. You don't want to go that far?

Mr. CREED. I think in my statement it is our position that GSA will obviously comply with the provision and administer the provision as intended by Congress, yes, sir.

Mr. DUNCAN. Well, do you see anything wrong with this or bad about it?

Mr. CREED. No, sir, I do not.

Mr. DUNCAN. All right.

Thank you very much.

Mr. TRAFICANT. In understanding the economic fiasco that occurred in western Pennsylvania, the Federal Government, had deserted certain communities as Hopewell Township. They made some representations about properties and buildings like this that didn't come true and left people hanging.

I think what is going on there is progressive. I think the revenue ultimately to be generated from improvements where the local community can engender some development, and create jobs will help taxpayers.

But let me ask you this one last question; how does the General Services Administration determine fair market value?

Mr. CREED. The determination of fair market value is within the discretion of the Administrator, and in arriving at fair market value, it is generally our policy to either contract for a commercial appraiser to examine the property using one of three different methods, either the replacement values, the income analysis value, or the comparable value. Or on the other hand, we would use an in-house appraiser, one of GSA's appraisers to assist in establishing fair market value of the property.

An appraisal is not generally the exact fair market value of the property. It is a guideline for the Administrator to use. He takes the appraiser's value and takes other matters into consideration, for example, the age of the appraisal, other economical factors that may be relevant to determining the proper value of the property.

So the actual determination of fair market value is something that is within the discretion of the Administrator.

Mr. TRAFICANT. As far as income analysis is concerned, I am under the impression that there is no income being generated by the property.

Mr. CREED. Yes, sir.

Mr. TRAFICANT. There hasn't been any income generated by this property for many years. It sits now as a liability, looking for an asset opportunity. Would that be a realistic conclusion?

Mr. CREED. I think so.

Mr. TRAFICANT. Do you have any other questions, Mr. Duncan?

Mr. DUNCAN. No.

Mr. TRAFICANT. We want to thank you, Mr. Creed. We appreciated you being here.

We would now like to recognize from the Hopewell Township community, Mr. Palmer and Mr. Eichenlaub.

Did I destroy your name, Mr. Eichenlaub?

Mr. EICHENLAUB. No, actually you did very well.

Mr. TRAFICANT. Well, we want to welcome you to this committee. The fact that you are here is indicative of the partnership that is being created in Hopewell Township and appears to be happening throughout that entire district.

Mr. Klink has been effecting that type of relationship, and I think that is progressive. And as far as your testimony, proceed with whoever is scheduled or wants to go first.

TESTIMONY OF JAMES PALMER, PRESIDENT, BEAVER COUNTY CORPORATION FOR ECONOMIC DEVELOPMENT, BEAVER, PA, ACCOMPANIED BY: JIM EICHENLAUB, MANAGER, HOPEWELL TOWNSHIP, PA

Mr. PALMER. Thank you, Mr. Chairman, and Members of the subcommittee.

My name is James Palmer, President of the Beaver County Corporation for Economic Development. I appreciate the invitation to testify before you today on H.R. 4704, the Hopewell Township Investment Act of 1994. I have submitted written testimony to the committee and I will present an abbreviated version of that today.

Before I begin my testimony, with your permission, I would like to enter into the record a letter of support for H.R. 4704 from the Board of Beaver County Commissioners. Prior commitments prevent their participation in this hearing today but they have asked me to convey to you their strong support for this bill.

Mr. TRAFICANT. Without objection, that letter shall be incorporated into the record of this meeting.

[The information follows:]



JAMES ALBERT, Chairman
 JOHN A. ANTOLINE
 ROGER L. JAVENS
 COUNTY COMMISSIONERS

ROBERT W. CYPHERT
 CHIEF CLERK
 (412) 728-5700

July 28, 1994

The Honorable James Traficant
 Chairman of the Subcommittee on
 Public Buildings and Grounds
 B376 Rayburn, HOB
 Washington, D.C. 20515

Dear Chairman Traficant:

We are writing to express the Board of Beaver County Commissioners support for HR 4704, The Hopewell Township Investment Act. Passage of this act will allow for the transfer of the vacated Mine Safety and Health Administration (MSHA) facility in Hopewell Township, Beaver County to the Beaver County Corporation for Economic Development (CED). CED, a non-profit corporation, is Beaver County government's economic development agency.

Transfer of the facility to CED will accomplish several important objectives. First, it provides the opportunity to return to productive reuse a currently idled facility. Hopewell Township invested several hundred thousand dollars into infrastructure to serve the facility based on MSHA's intent to consolidate several of its locations at the Hopewell site. When MSHA changed its mind by choosing to consolidate in West Virginia and close the Hopewell operation, Hopewell Township good faith effort paid no dividends to the community. Providing the opportunity to productive reuse the facility will allow Hopewell Township to realize benefits from its prior investment.

Second, ownership of the facility by a local entity insures its reuse in a way that does not conflict with the surrounding area. CED has worked very closely with Hopewell Township in the past on encouraging quality economic development. More specifically, CED has developed an industrial park in Hopewell that has resulted in over \$12 million in construction in the community over the past six years. CED and Hopewell have proven that they can work together in a manner that encourages development and job creation while respecting existing investment in the community.

"Divided By Its Rivers, United By Its People"

The Honorable James Traficant
July 28, 1994
Page Two

Finally, transferring the property to CED provides the potential to generate property tax revenue for the local taxing bodies. Expanding the property tax base by using the facility for economic development purposes will not only benefit Hopewell Township, but also the Hopewell Area School District and Beaver County as well.

While passage to this bill can be an example of how the federal government can directly support local communities economic development efforts. Please advise if there is any further support the Beaver County Board of Commissioners can lend to passage of HR 4704. Thank you for your consideration.

Sincerely yours,

BEAVER COUNTY BOARD OF COMMISSIONERS

James Albert
James Albert, Chairman

John A. Antoline
John A. Antoline, Commissioner

Roger L. Javens
Roger L. Javens, Commissioner

/jlc

cc: Congressman Klink, Washington Office
Township of Hopewell

Mr. PALMER. Thank you.

By way of background, CED is a nonprofit Corporation certified by the Commonwealth of Pennsylvania as an industrial development corporation. Its purpose is to promote and facilitate private investment and job creation in Beaver County.

CED has a staff of three employees and is governed by a 15 member board of directors, which includes representatives of business, labor, finance, education and the Board of Beaver County Commissioners. Since its certification as an industrial development corporation in 1987, CED has participated in over 100 projects that have added 2,000 jobs to the Beaver County economy.

We have two major areas of activity. The first is financing. We have provided direct loans of \$15 million for about 40 projects since 1987. As these funds are repaid, they will be used by CED to continue supporting local private investment and job creation. These loan funds, in conjunction with the loans in which CED is a pass-through entity to the industrial borrowers, have leveraged over \$300 million in private investment in Beaver County.

Our second major area of activity is land development. We undertake land development projects only where there is a perceived or actual gap in the private marketplace. We attempt to do real estate projects only where there is potential for significant economic benefit to the community and the project economics preclude its completion by private developers.

To date, we have undertaken three major real estate projects. The first and most significant, which Mr. Eichenlaub will talk about in a moment, is the Hopewell Business Industrial Park. This project involved the acquisition and improvement of a 97-acre site at the Hopewell interchange of the Beaver Valley Expressway.

The site was developed to allow Beaver County to participate in the real estate development that was occurring in the vicinity of the construction of the new Pittsburgh International Airport. The site was purchased in 1986 and put on the market in 1987, and since then, two thirds of the property has been sold. There have been five new buildings constructed, housing eight new businesses, and the buildings have resulted in \$8 million in construction value.

The purpose of this background information is to hopefully establish that within a relatively short period of time, CED has established a track record for developing and managing economic revitalization projects that benefit the community. We see H.R. 4704 as an opportunity to turn a nonperforming asset into an economic benefit.

The Mine Safety and Health Administration building in Hopewell Township has no apparent governmental reuse. Accordingly, CED in conjunction with Hopewell Township, the Beaver County Commissioners and Congressman Klink, began efforts to return the facility to a productive reuse supported by the community.

CED offered its services as a nonprofit economic development group because this project fits our self-defined image for the type of real estate projects we feel nonprofit corporations should be involved in. Hopewell supported CED based on the relationship we developed on the prior industrial park project that I described.

H.R. 4704 will allow us to return this facility back to productive use and can be an example of how local government, county gov-

ernment and the Federal Government can work in ways to benefit communities. It can allow this building to be an avenue for employment for Beaver County residents and broaden the tax base in the community.

While there are other many important matters before this body, and this may not seem like an issue of significant consequence, we do feel it is an opportunity for this group and the Federal Government to directly and in a very positive way, make a difference in a locality.

We appreciate your consideration of this bill and your time.

Thank you.

Mr. TRAFICANT. It is the biggest thing happening with Hopewell Township, though; right?

Mr. PALMER. I will leave that to the manager.

Mr. TRAFICANT. Mr. Eichenlaub.

Mr. EICHENLAUB. Good morning. I am James Eichenlaub the Manager and Secretary to the Hopewell Township Board of Commissioners. I am here today on behalf of the Board of Commissioners and the 14,000 residents of Hopewell Township in support of H.R. 4704, the Hopewell Township Investment Act of 1994.

This Act will accomplish the township's goal of returning this Federal surplus property to a productive use as a site for economic development in Beaver County.

If I may, a brief historical perspective of this site may be of benefit to the committee. The building and acreage outlined in H.R. 4704 was part of the Aliquippa Airport, which was originally developed in 1946. During the 1960s, this facility was used to manufacture single-engine aircraft, employing approximately 126 people.

The design and license to manufacture this aircraft was acquired by Rockwell International in 1967 and moved to Albany, Georgia, in 1969. At the same time, the airport was closed due to a lack of runway clearances. The facility was retrofitted for the design of modular homes and employed 80 persons in the 1970s.

In 1981, this facility was sold to the Department of Labor's Mine Safety and Health Administration for the purpose of housing its emergency mine operations. In addition to the small number of employees that were located at the facility, approximately 15 to 20, it was removed from the tax rolls resulting in the annual loss of local property tax revenue in the amount of \$18,000.

In 1987, Hopewell Township was approached by representatives of Mine Safety to make infrastructure improvements to the facility with the possibility of consolidating operations at this site. With the prospect of bringing 200 jobs to Hopewell, the commissioners authorized the expenditure of \$200,000 in road, water and sewer improvements to accommodate this expansion. An additional \$100,000 in road improvements were delayed after the Federal Agency announced that the consolidated operations would not be moved to Hopewell, that the Mine Operations Center was being eliminated and that the site would be turned over to the General Services Administration for reassignment or sale.

Throughout 1993, I as the representative of the Township, have attempted to work through normal channels, regulations and guidelines of the General Service Administration in an effort to acquire this site and to return the property to a productive, tax-pro-

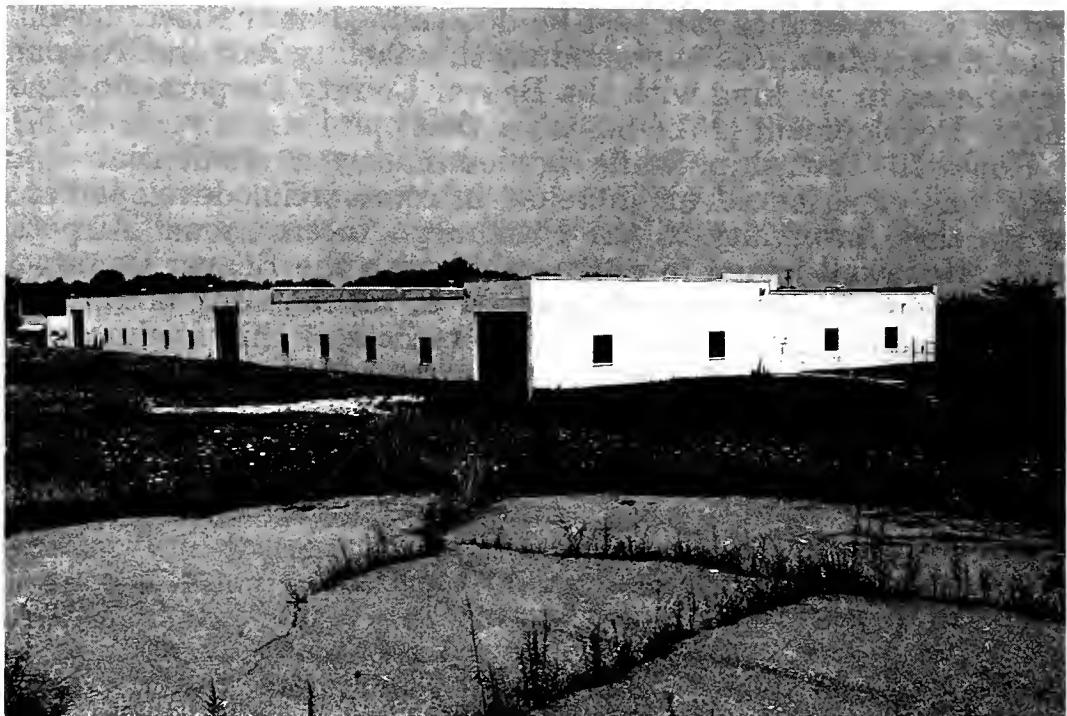
ducing existence. It was the Township's desire that the future occupancy of this facility can best be determined at the local level. The special circumstances surrounding this facility and the Township's experience in working with the Beaver County Corporation for Economic Development is the basis for that opinion.

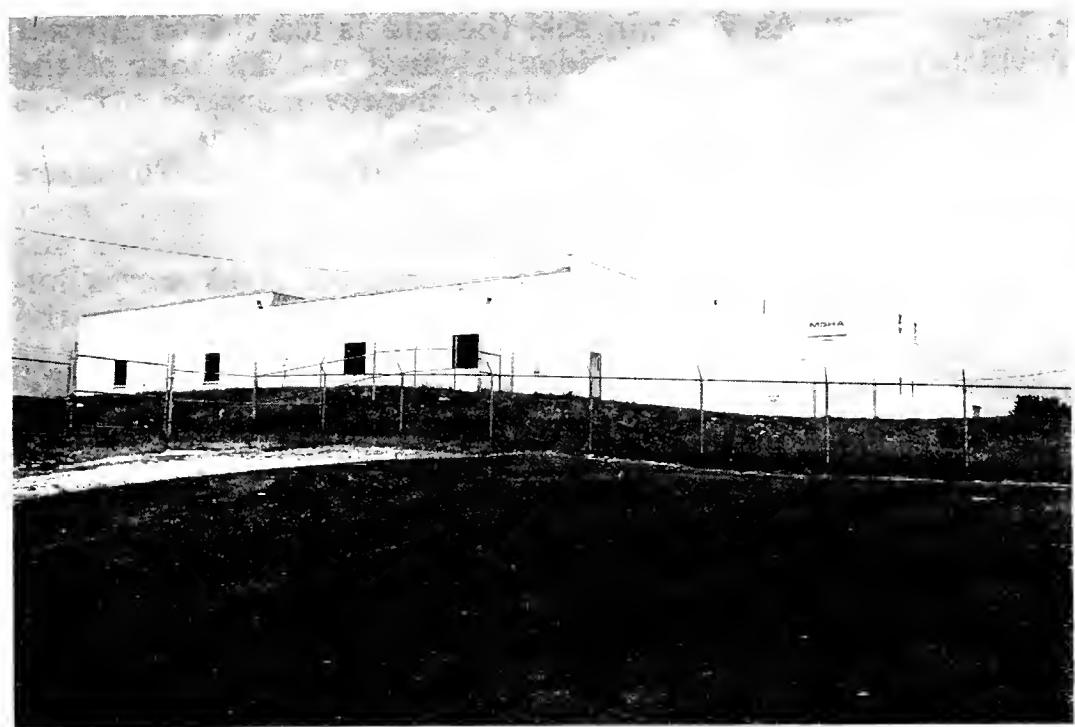
Hopewell Township, while predominantly a residential community, has experienced an increase in commercial development due to its close proximity to the Pittsburgh International Airport. In 1987, Hopewell joined in partnership with the Beaver County Corporation for Economic Development in establishing the Hopewell Business and Industrial Park. The success of this facility and the cooperative relationship established between the Corporation and the Township will serve as a foundation in returning this property to a productive use, compatible with the adjacent areas.

I would like to submit to the committee some photographs, if I might.

Mr. TRAFICANT. We appreciate it.

[The information follows:]





Mr. TRAFICANT. Go ahead on.

Mr. EICHENLAUB. The first photograph is a picture—illustrates the Hopewell Business Industrial Park, and as you can see, this is an asset that any community would be proud to claim. Because this facility is located adjacent to a residential neighborhood, the park was developed with protective covenants to make sure that the park would have no negative impact on the community. The covenants and sensitivity in the marketing of the Hopewell Business Park is a credit to the Corporation and has resulted in its success and acceptance of the park.

The properties we desire to obtain through passage of H.R. 4704 would become the centerpiece of the Hopewell Aliquippa Airport Industrial Park. Unfortunately, the site itself has a number of developmental problems which combined with the purchase price requested by the General Services Administration makes it unfeasible, and in all likelihood, would doom it to a less than desirable use.

Mr. TRAFICANT. I don't want to interrupt you, but is this a photograph of that building?

Mr. EICHENLAUB. That is the building and facility that is up for sale.

Mr. TRAFICANT. This is the property that is in discussion here today?

Mr. EICHENLAUB. That is correct, sir.

Mr. TRAFICANT. Go ahead on. Sorry to interrupt you.

Mr. EICHENLAUB. As you can see, the site is located on Airport Road which runs through a residential area and in front of the Hopewell Elementary School. Further improvement to Airport Road and the intersection of State Route 151 and Kane Road will be necessary for the property to realize its full potential. These are estimated at \$1.1 million.

Mr. TRAFICANT. What was that?

Mr. EICHENLAUB. \$1.1 million to make off-site road access improvements. On-site improvements will be necessary to make the property marketable.

As the photographs illustrate, the site has fallen into disrepair. The heating plant is in need of replacement, the private access road will have to be reconstructed and dedicated over to the Township for maintenance. Water and sewer service will have to be extended to serve the remaining undeveloped portion of the property and electric service will need to be upgraded to meet the needs of potential businesses.

With these costs looming, we or the Beaver County Corporation for Economic Development, cannot afford the \$667,000 sale price requested by the General Service Administration. The inability to obtain this property through the present Federal Government's property disposition procedures led the commissioners and CED to solicit the aid of Representative Klink.

It is our opinion, the Township Board of Commissioners, that to further the burden to local taxpayers with purchasing this property after they have invested so much already, is unfair and unjust. We are proposing instead that a partnership between all levels of government be established, for we all serve the same constituency and

hopefully share the same goal of economic vitality for all of those concerned.

Marketing and development of this site is best left in the hands of local government entities. We are asking that with passage of H.R. 4704, you will give us the opportunity to accomplish this lofty goal. Your consideration and support of the Hopewell Township Investment Act is appreciated.

Mr. TRAFICANT. You had mentioned that at some point Rockwell International was involved with this property.

Mr. EICHENLAUB. Yes, originally—

Mr. TRAFICANT. CIA?

Mr. EICHENLAUB. No, sir. In 1946, Volaire Aircraft—the gentleman who developed this park is a rather interesting man. He is an entrepreneur, a genius for lack of better words. He designed and developed a single-engine aircraft while he developed the airport.

Rockwell bought the patents and design of that facility. Unfortunately, the site does not have good transportation, basically truck transportation access. So Rockwell, in a business decision, moved their facility to Albany, Georgia. Then the gentleman got into the manufacturing of modular homes and the market in that caused it to be closed in the late 1970s, and then now the Federal Government purchased the property in 1981.

Mr. TRAFICANT. As a genius, he has a way of getting the Federal Government to take care of his problems.

What is the population of Hopewell Township and what is your average income?

Mr. EICHENLAUB. The population of the Township is 14,000. We are the largest community in Beaver County. The per capita income, off the top of my head, I believe is \$26,000.

Mr. TRAFICANT. For one thing, we know that when the Federal Government got you to make all the improvements in the past, and the Township expended several hundred thousand dollars, apparently you didn't have any contract with the Federal Government, because after you had done all of those things, they abandoned you. Is that a representative statement of what occurred?

Mr. EICHENLAUB. That is true, and I will submit an article from 1987 that represented that very fact; that while there was no guarantees, it was very likely by us making these improvements that it would—that the Department of Labor would look favorably upon the Township and that site in consolidating its Pittsburgh operations to that facility.

Mr. TRAFICANT. So in other words, Mr. Eichenlaub, on behalf of yourself and Mr. Creed and the community, spearheaded by Mr. Klink, you are saying that it is pay-back time?

Mr. EICHENLAUB. We think that a partnership should be developed.

Mr. TRAFICANT. That is right to the point; isn't it?

Mr. EICHENLAUB. That is certainly, and you are known for that.

Mr. TRAFICANT. There is nothing wrong with that.

Mr. EICHENLAUB. In this instance, we think that the facility should be turned over to the local government. We have no intention of making a profit on this, sir. What we think should be done is that if it has some extremely unusual circumstances, and no of-

fense to the GSA, we believe that the marketing should be done in Beaver County and not out of Atlanta, Georgia.

Mr. TRAFICANT. That is not a bad statement. Profit is not a dirty word at this subcommittee, and we hope that Hopewell Township will do well, we hope the people that live there will do well and this will be an improvement. We believe that now looking at the history, it is right on target for your Congressman to take this initiative. At least, I feel that way.

And I am going to defer to a very objective and fair person from Tennessee, Mr. Duncan.

Mr. DUNCAN. Well, thank you, Mr. Chairman. It is really, as we were talking up here a minute ago before we got into the questions, the local people of course should have had a credit with the Federal Government before they did these improvements, but that is water over the dam. But it is a shame that the Federal Government would have misled the people there about their intentions. It is a shame that you can't trust your Federal Government. But apparently that in some ways is the case.

I agree with the Chairman, though, I like your statement that your Township should have more to say about this than somebody in Atlanta.

Mr. Palmer, I notice that the CED has done several big projects. You talk in your testimony about loaning \$15 million, and I think you built a \$2.5 million building for NVR, and I saw a \$7 million deal there. Where do you get all this money? Where does your financing come from?

Mr. PALMER. Our financing comes primarily from the Commonwealth of Pennsylvania. The fact that we are nonprofit organization, we have access to grant or loan programs that the Commonwealth has established for nonprofit groups to develop sites and properties.

Mr. DUNCAN. Have you ever figured out how much of that money comes from the Federal Government?

Mr. PALMER. Almost none of it came from the Federal Government.

Mr. DUNCAN. I am assuming that some of that State money originally came from the Federal Government.

Mr. PALMER. No, the Commonwealth has over \$200 million a year economic development program solely funded from State revenues. And, in fact, I think they have been recognized as having the broadest economic development initiative of any of the States so they have taken over the last seven or eight years a very, very active role in funding local development projects.

Mr. DUNCAN. Do you have any leads or any interest in this property? What do you think you might do with it?

Mr. PALMER. I would think that it probably lends itself to some type of multi-tenant facility. We would go in and renovate it and lease space or portions of the space to different businesses, warehouse distribution facilities, possibly as it was stated before, engineering companies other things like that. I think it lends itself to that kind of use.

Mr. DUNCAN. But you really have not done anything yet, because it is a little too early?

Mr. PALMER. No, that is right.

Mr. DUNCAN. Thank you very much.

Mr. TRAFICANT. You didn't want, Mr. Palmer, to teach the Federal Government how to do it so the Federal Government might make some money. You have been holding back?

Mr. PALMER. No, our objective is, when we do these projects, is to pay back what we borrow. The State is very generous with us in grant funding, but they also say that when you get into the real estate business, you have to incur some risk also, and you have to borrow money to do those kinds of projects.

The way these things work out is that from a market standpoint, they don't make sense, so you have to write them down to some category, you borrow the rest of it and the income that you generate from the property pays back the debt and you move on to the next one.

Mr. TRAFICANT. I noticed Mr. Eichenlaub used the term pay back, and Mr. Palmer is using the term pay back. I think that underscores their message. It is good and refreshing to hear that.

Do you have any other questions for that panel?

Mr. DUNCAN. No.

Mr. TRAFICANT. Being a neighbor, I want to welcome and thank you for your testimony and commend you for the good job that you are doing. And I also want to continue to encourage you to work closely with your Congressman. Your Congressman has been working very hard looking for ways and means to encourage the opportunity for the local community to find some success in this troubled climate.

And I know exactly what is happening in western Pennsylvania, northeast Ohio. We come from a tough area that has lost its industrial base, but I think your testimony here is excellent. Anything that you have presented to us will be spread across the record. And we will be taking the issue up shortly here.

We thank you very much.

Mr. PALMER. Thank you.

Mr. TRAFICANT. If you would like to wait, this bill will be marked up right now.

[Whereupon, at 9:17 a.m., the subcommittee proceeded to other business.]

PREPARED STATEMENTS SUBMITTED BY WITNESSES

OFFICIAL

STATEMENT OF GORDON CREED

ACTING DEPUTY COMMISSIONER

FEDERAL PROPERTY RESOURCES SERVICE

GENERAL SERVICES ADMINISTRATION

BEFORE THE

SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

UNITED STATES HOUSE OF REPRESENTATIVES

AUGUST 10, 1994

I am pleased to appear before this subcommittee today to discuss the views of the General Services Administration (GSA) concerning H.R. 4704.

Cited as the "Hopewell Township Investment Act of 1994," this bill would require the Administrator of General Services to convey to a named nonprofit economic development organization approximately 16 acres with a building of approximately 45,000 square feet located in Hopewell Township, Pennsylvania. The conveyance would have to be made within 90 days of enactment, and the Administrator would be required to enforce a reversion of the property if it were to be used for any purpose other than economic development during the 30-year period following the date of conveyance.

The subject property is presently in GSA's surplus property inventory and therefore disposable under the provisions of the Federal Property and Administrative Services Act of 1949 (Property Act). In that connection, preliminary discussions have already taken place with functionaries of Hopewell Township concerning a possible negotiated sale of the property based on its fair market value.

H.R. 4704 would remove the transaction from the scope of the Property Act. GSA has long defended the Property Act as being the best mechanism for the disposition of the Government's unneeded real property interests. However, if Congress decides to enact this bill, GSA will follow the law.

This concludes my prepared statement. I would be pleased to respond to any questions the Subcommittee may have.

Chairman Traficant and members of the Committee, my name is James Eichenlaub, Manager and Secretary of the Hopewell Township Board of Commissioners. I am hear today on behalf of the Board of Commissioners, and the 14,000 residents of Hopewell Township, in support of HR 4707, the Hopewell Township Investment Act of 1994.

This Act will accomplish the Township's goal of returning this federal surplus property to productive use as a site for the economic development in Beaver County.

If I may, a brief historical perspective of this site may be beneficial to the committee. The building and acreage outlined in HR 4707 was part of the Aliquippa Airport which was privately developed in 1946. During the 1960's this facility was used to manufacture Volaire - Aerocommander single engine aircraft employing approximately 126 persons. The design and license to manufacture this aircraft was acquired by Rockwell International in 1967 and moved to Albany Georgia in 1969. At the same time, the airport was closed due to the lack of runway clearance. This facility was then retrofitted for the manufacturing of Stylex Modular Homes and employed approximately 80 persons through the 1970's.

In 1981 this facility was sold to the Department of Labor's, Mine Safety and Health Administration for the purpose of housing its emergency mine operations. In addition to the small number of employees located at this facility (15 to 20), it was removed from the tax rolls resulting in the annual loss of local property tax revenue in the amount of \$18,300. In 1987, Hopewell Township was approached by representatives of Mine Safety to make infrastructure improvements to the facility with the possibility of consolidating operations at this site. With the prospect of bringing 200 jobs to Hopewell, the commissioners authorized the expenditure of \$200,000 in road and sewer improvements to accommodate this expansion. An additional \$100,000 in road improvements was delayed after the federal agency announced that the consolidated operations would not be moved to Hopewell, that the Emergency Mine Operations Center was being eliminated, and that the site would be turned over to the General Services Administration for reassignment or sale.

Throughout 1993, the Township has attempted to work through the normal channels, regulations and guidelines of the General Services Administration in an effort acquire this site and to return the property to a productive, tax producing existence. It was the Township's opinion and desire that the future occupant and use of this facility can best be determined at the local level. The special circumstances surrounding this facility and the Township's experience in working with the Beaver County Corporation for Economic Development is the basis for this opinion.

Hopewell Township, while predominantly a residential community, has experienced an increase in commercial development due to its close proximity to the Pittsburgh International Airport.

In 1987 Hopewell joined in partnership with the Beaver County Corporation for Economic Development in establishing the Hopewell Business and Industrial Park. The success of this facility and the cooperative relationship established between the Corporation and the Township will serve as the foundation in returning this property to productive use compatible with the adjacent area.

As the accompanying photographs illustrate, the Hopewell Business Industrial Park is an asset that any community would be proud to claim. Because this facility is located adjacent to a residential neighborhood the park was developed with protective covenants to insure that the park would not have a negative impact on the community. These covenants and the sensitivity and understanding in marketing the Hopewell Business Industrial Park is a credit to the Corporation and the success and acceptance of the park.

The property we desire to obtain through passage of HR 470⁴ would become the centerpiece of the Hopewell/Aliquippa Airport Industrial Park. Unfortunately, the site itself has a number of development problems which, combined with the purchase price requested by the General Services Administration, makes it unfeasable and in all likelihood would doom it to a less than desirable use. The site itself is located on Airport Road which runs through a residential area and in front of the Hopewell Elementary School. Further road improvements to Airport Road and the intersection of State Rout 151 and Kane Road will be necessary for the property to realize its fullest potential. These improvements are estimated at a cost of 1.1 million dollars.

Onsite improvements will also be necessary before the property can be marketed. As the accompanying photographs illustrate, the site has fallen into disrepair. The heating plant is in need of replacement, the private access road will have to be reconstructed and dedicated to the township for ownership and maintenance, waterline and sewage service will have to be extended to serve the remaining undeveloped portion of the property and electric service will need to be upgraded to meet the needs of potential businesses. With these cost looming, we or the Beaver County Corporation for Economic Development can not afford the \$667,000 sale price requested by the General Services Administration. The inability to obtain this property through the present federal government's property disposition procedures lead the Township Commissioners, and CED to solicit the aid of Representative Klink.

It is the opinion of the Township Board of Commissioners that to further burden the local taxpayers with purchasing the property after they have invested so much already is unfair and unjust.

What we are proposing instead is a partnership between all levels of government, for we all serve the same constituency and hopefully share the same goal of economic vitality for all those concerned. The marketing and development of this site is best left in the hands of the local governmental entities who are familiar with the special circumstances and needs of this property. We are asking that with passage of HR 470⁷ you will give us the opportunity to accomplish this lofty goal. Your consideration and support of the Hopewell Township Investment Act is appreciated.

TESTIMONY BEFORE THE HOUSE SUBCOMMITTEE
ON
PUBLIC BUILDINGS AND GROUNDS

AUGUST 10, 1994

presented by

James Palmer, President
Beaver County Corporation for Economic Development

Chairman Traficant and members of the Committee, my name is James Palmer, President of the Beaver County Corporation for Economic Development (CED). I appreciate the invitation to testify before you today on HR 4704, the Hopewell Township Investment Act of 1994. Before I begin my testimony, with your permission, I would like to enter into the record a letter of support for HR 4704 from the Board of Beaver County Commissioners. Prior commitments prevent their participation in this hearing today but they have asked me to convey to you their strong support for the bill.

By way of background, CED is a non-profit corporation, certified by the Commonwealth of Pennsylvania as an industrial development corporation. Its purpose is to promote and facilitate private investment and job creation in Beaver County. CED has a staff of three employees and is governed by a 15 member Board of Directors which includes representatives of business, labor, finance, education, and the Board of Beaver County Commissioners. Since its certification as an industrial development corporation in 1987, CED has participated in over 100 projects that have added several thousand jobs to the Beaver County economy.

CED has two major areas of activity. The first area is financing. Through various funding sources, CED has loaned over \$15 million for about 40 projects since 1987. As these funds are repaid, they will be used by CED to continue supporting local private investment and job creation. These loan funds, in conjunction with loans in which CED is a pass through entity to industrial borrowers, have leveraged over \$300,000,000 in private investment in Beaver County.

CED's second major area of activity is land development. CED has elected to carve out a very well-defined role for itself in this area. CED undertakes land development projects only where there is a perceived or actual gap in the private marketplace. We attempt to do real estate projects only where there is potential for significant economic benefit to the community and the project economics preclude its completion by private developers.

To date, CED has undertaken three major real estate projects. The first was the Hopewell Business and Industrial Park. This project involved the acquisition and improvement of a 97 acre site at the Hopewell interchange of the Beaver Valley Expressway. This site was developed to allow Beaver County to participate in the real estate development that was occurring in the vicinity of the Pittsburgh International Airport. The site was purchased in 1986 and put on the market in 1987. Since then, two-thirds of the property has been sold. There have been five new buildings constructed at a cost of about \$12 million. These facilities house eight businesses new to Beaver County that employ approximately 300 people.

The second major project was construction of a building to lease to NVR Building Products Company in Darlington Township. CED constructed a 50,000 square foot manufacturing facility at a cost of \$2.5 million to house the company's housing components business. The plant employs 35.



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HR 4704 TESTIMONY
PAGE 2

The third project is development of an industrial park on a portion of the property which once constituted LTV Steel Co., Inc.'s Aliquippa works. LTV owned and operated an integrated steel plant located in portions of three Beaver County communities, Center Township, Hopewell Township, and the City of Aliquippa. The mill site is about 770 acres in size, with the bulk of the site in Aliquippa. At its peak, the plant employed about 15,000. Beginning in the early 1980's, LTV began to systematically shut down portions of the plant. Today LTV operates only one facility, the Tin Mill, which employs about 700. Other businesses on the site employ an additional 200. In 1988, the company began a comprehensive program of demolishing and clearing all the unused structures along the 7.5 mile of stretch of riverfront along the Ohio that the plant occupied. Demolition was completed in 1991.

CED purchased a 120 acre portion of the property in Aliquippa in 1993 for redevelopment as an industrial park to expand upon existing employment opportunities at the site. Environmental remediation of the site is underway, improvements are expected to be installed in the spring, and sites will be available for sale at that time. Total cost to prepare the property for sale are estimated to be over \$7 million.

The purpose of this background information is to hopefully establish that within a relatively short period of time, CED has established a track record for developing and managing economic revitalization projects that benefit the community. We see HR 4704 as another opportunity to turn a non-performing asset into economic benefit.

The Mine Safety and Health Administration (MSHA) operated its mine emergency operations from a facility it owned in Hopewell Township, Beaver County. The building is approximately 45,000 square feet in size and sits on about 16 acres.

From this location, MSHA dispatched disaster equipment for mine emergencies to locations primarily east of the Mississippi River. In 1987, plans were announced to undertake a \$5 million project to add to and renovate the facility for the purpose of consolidating two other MSHA sites at the Hopewell location. To support the relocation, Hopewell Township and the Creswell Heights Water Authority needed to improve water service, sanitary sewer service, and the access road to the building. The improvements were completed at a cost of about \$350,000, \$125,000 of which was reimbursed by MSHA.

After these improvements were completed, a decision was made to relocate MSHA's facilities in West Virginia rather than in Hopewell. This was a significant blow to the community. Existing jobs were lost. The potential for new jobs disappeared. The community's investment in providing improvements to the site went for naught. The potential for the building deteriorating and becoming a community eyesore, or more importantly, being used in a manner that was not compatible with the adjacent area, was created.

That is when CED, in conjunction with Hopewell Township, the Beaver County Commissioners, and Congressman Klink, began efforts to return the facility to a productive reuse supported in the community. CED offered its services as a non-profit, economic development group, to improve and market the facility for job creation projects. Hopewell supported CED in this role based on the relationship developed with CED on the industrial park project described earlier in this testimony. We all soon learned, however, that the federal government's property disposition procedures would not permit us to reach the vision we mutually saw for the facility.

HR 4704 will allow us to reach that vision. It can be an example of how local government, county government, and the federal government can work in ways to benefit communities. It can allow this building to be an avenue for employment for Beaver County residents and broaden the tax base of the community. While it may seem inconsequential in relation to the other matters of national interest that are before this body, it is an opportunity for this body to directly impact life in local community in a positive manner. Your consideration of the bill and your time is greatly appreciated.

Beaver County
9-9-87
Front Page

Feds may move to Hopewell site

By Jeff Byko 9-9-87
Times Staff

The federal Mine Safety and Health Administration's building off Airport Road in Hopewell Township is being considered for expansion by the Department of Labor, a move that could bring up to 200 jobs to the area.

But significant negotiations and financial agreements must be worked out before any such expansion occurs.

Hopewell Township Commissioners Wednesday authorized the township solicitor and manager to begin negotiations with the federal agency concerning the installation

of a sewer line to the current building.

Hopewell Manager James Eichenlaub said he was contacted last week by federal officials who expressed an interest in expanding the current office, which has about six employees. The Mine Safety and Health Administration is phasing employees and operations out of its main office in Pittsburgh.

Jeffery Kravitz, chief of mine emergency operations for the office, said the administration is looking at three sites to relocate its operations, adding "there's a good possibility" of expanding in Hopewell "if everything goes according

(See Feds, Page A8)

9-9-87 Feds may move to Hopewell site

(Continued from Page A1)

to plan."

Kravitz said expansion could bring between 150 and 200 jobs to the area, though many would be transfers and not new positions.

To move to Hopewell, Kravitz said sewer and water lines must be expanded to the building and federal funds must be made available to pay for expansion at the site.

Eichenlaub estimated it would cost about \$300,000 for sewer lines to be extended to the building. Kravitz said the federal agency currently has the funds to pay about 40 percent of that cost.

That money, however, is only available until the end of the month, when the Mine Safety and Health Administration's fiscal year ends. Kravitz said there is no guarantee the money will be available next year.

"The township has to agree to make a commitment to build the sewer lines," Kravitz said. "If we can't get a commitment from them, the money will disappear."

Eichenlaub said he already has contacted state officials to determine what type of financial assistance, if any, the township can expect for such a project. He said that if no state money is available, other options will be considered.

A decision must, however, be made before the end of the month.

Eichenlaub said he also is looking for funding to help the Creswell Heights Joint Authority construct a water tower off Kane Road, not far from the federal agency's office.

The authority originally planned to construct the water tower to service new home construction along Kane Road, but now can extend that service to the Airport Road area.

George McElhaney, authority general manager, said work to construct the water tower, estimated to cost \$300,000, is scheduled to begin in January and may be completed by June.

Kravitz said the federal agency is willing to pay about 75 percent of the cost to extend water lines

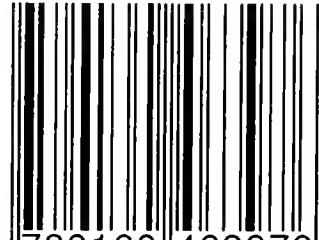
from the water tower to its building once the tower is constructed.

Commissioners President Jame Albert said the extension of sewer and water lines along Airport Road would help open for development the 135 acres in the area.

"This could give us the opportunity to develop an even bigger parcel of land in the township," Albert said.



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